

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 22 – SB 248

February 7, 2017

SUMMARY OF ORIGINAL BILL: Requires local education agencies (LEAs) to offer at least six early postsecondary credit courses, excluding courses taken through a dual enrollment program, beginning in the 2018-2019 academic year. States that such courses may be provided through traditional classroom instruction, online or virtual instruction, blended learning, or other educationally appropriate methods. Encourages LEAs to partner with other LEAs or institutions of higher education to provide early postsecondary courses.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (002687): Deletes and rewrites the bill such that the substantive change is to authorize local education agencies (LEAs) to include dual enrollment courses as one of the six options of postsecondary education opportunities that may be offered to students by LEAs.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures –

\$571,200/FY18-19/Lottery for Education Account

\$602,400/FY19-20/Lottery for Education Account

Exceeds \$602,400/FY20-21 and Subsequent Years/

Lottery for Education Account

Other Fiscal Impact – Funding in the amounts of \$571,200 in FY18-19, \$602,400 in FY19-20, and an amount estimated to exceed \$602,400 in FY20-21 and subsequent years will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Special Reserve Account.

Assumptions Relative to DOE and Local School District Expenditures:

- Based on information from the Department of Education (DOE), many LEAs currently offer at least six early postsecondary credit courses including multiple Advanced Placement (AP) courses, the International Baccalaureate Program, and dual credit courses.
- If necessary, LEAs will expand their postsecondary credit options without a significant increase in local expenditures through partnerships with community colleges and other options.
- Additionally, the DOE helps to support certain options for such courses by paying for teacher training and exam fees. Any increase in state expenditures relative to DOE are estimated to be not significant.

Assumptions Relative to the Department of Children's Services:

- Pursuant to Tenn. Code Ann. § 49-3-302(11), a "local education agency" is defined to mean any county, city, or special school district, unified school district, school district of any metropolitan form of government or any other school system established by law.
- Pursuant to Tenn. Code Ann. § 37-5-119(a), youth development centers and other facilities deemed appropriate by the commissioner shall be a special school district, which shall be given the same funding consideration for federal funds that school districts within the state are given.
- As a result of the two previously cited statutes, the Department of Children's Services (DCS) is considered a state "local education agency" and will fall under the requirements of this legislation.
- DCS will meet the requirements of this legislation within the structure of their current curriculum and staff through the use of online resources and materials.
- DCS will not hire additional personnel at their Youth Development Centers.

Assumptions Relative to the Tennessee Board of Regents:

- Based on information from the Tennessee Board of Regents (TBR), there are currently nine statewide dual credit courses available through TBR community colleges and a number of others that are not offered statewide.
- TBR will not be required to hire additional staff as a direct result of this legislation.
- Any expansion that is ongoing will continue and would have taken place in the absence of the provisions of this legislation.

Assumptions Relative to the Dual Enrollment Grant Program:

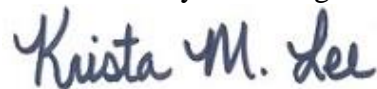
- The Dual Enrollment Grant Program is a grant for study at an eligible postsecondary institution funded from net proceeds of the state lottery and awarded to students who are

attending an eligible high school and who are also enrolled in college courses at eligible postsecondary institutions for which they will receive college credit.

- Based on current enrollment data from the dual enrollment grant program, the Tennessee Student Assistance Corporation (TSAC) estimates that an additional 952 students will receive a dual enrollment grant of \$600 in FY18-19.
- The increase in state expenditures from the Lottery for Education Account (LFEA) in FY18-19 is estimated to be \$571,200 (952 x \$600).
- In FY19-20, TSAC estimates that an additional cohort of 52 students, for a total of 1,004 (952 + 52) will receive a dual enrollment grant; an increase in state expenditures from the LFEA of \$602,400 (1,004 x \$600) in FY19-20.
- In FY20-21 and subsequent fiscal years, the number of participating students is expected to increase beyond the number of participants from FY19-20.
- The recurring increase in state expenditures from the LFEA beginning in FY20-21 is estimated to exceed \$602,400.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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